

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

**HB 7004 – SB 7013
FIRST EXTRAORDINARY SESSION
January 13, 2010**

SUMMARY OF BILL: Authorizes the University of Tennessee to establish a new academic unit for research and interdisciplinary education in conjunction with the Oak Ridge National Laboratory (ORNL). Agreement provisions include but are not limited to the setting up of a joint center by ORNL and UT to oversee the collaboration agreement, appointment of graduate students, the appointment of ORNL staff as UT faculty; and the development of interdisciplinary doctoral curriculum. Does not limit or prohibit the authority of the U.S. Department of Energy or applicability of federal law pertaining to ORNL.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$1,037,000/FY 10-11
\$1,744,000/FY 11-12
\$3,411,500/FY 12-13**

Other Fiscal Impact - The first three years of the UT-ORNL collaboration agreement will require a non-recurring state appropriation totaling \$6,192,500. Expenditures from this appropriation will be spread over three fiscal years. Non-recurring funding in the amount of \$6,000,000 is included in the appropriations bill to fund this legislation. If the federal grants and contract monies available for the UT-ORNL collaboration agreement at the end of the three-year state appropriation period for FY13-14 and thereafter are not enough to fully fund the program, the program will be scaled back or another source of funds will be required.

Assumptions:

- State funding for the UT-ORNL partnership will be spent according to the table below.

	FY10-11	FY11-12	FY12-13	Total
Tech. Preparation	\$150,000	\$50,000		\$200,000
Operating	\$80,000	\$35,000		\$115,000
Tech./Clerical Support	\$128,000	\$50,000		\$178,000
Recruiting	\$15,000	\$45,000	\$97,500	\$157,500
Graduate Stipend	\$300,000	\$900,000	\$1,950,000	\$3,150,000

Tuition/Waiver Fees	\$200,000	\$600,000	\$1,300,000	\$2,100,000
Center Director	\$64,000	\$64,000	\$64,000	\$192,000
Facilities	\$100,000			\$100,000
Total	\$1,037,000	\$1,744,000	\$3,411,500	\$6,192,500

- Funding for the program in FY13-14 and thereafter will come from federal research grant money obtained by the collaboration program research projects or from other sources. These funds will be used to fund the entire program. New state appropriations will not be made.
- Funding for operating and other program development costs will be funded from research grants or from some other source in FY12-13 and thereafter.
- UT estimates that there will be 10 graduate students in FY10-11, 30 in FY11-12, and 65 in FY12-13. Each graduate student will be paid a stipend of approximately \$30,000. Each student will cost approximately \$1,500 to recruit.
- Funding for a center director will come from one-half UT funding and one-half ORNL funding. In FY13-14 and thereafter, the director will be paid by UT from federal grant research funding or other sources.
- According to UT, any increase in state expenditures to set up a new academic unit for interdisciplinary education and research in conjunction with ORNL will be absorbed within existing state resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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